<<DATE>>

Dear Editor:

The Board of <<YOUR COUNTY>> County Commissioners continues to be mindful of the property tax burden being placed on our fellow citizens. To help ease the burden board members strive to make good decisions for our community, including adopting a budget that reflects the collective needs and values of our residents. Each year, Commissioners must weigh competing costs against perceived benefits as they consider a budget, they believe is in <<YOUR COUNTY>> County’s best interest.

One tool that could be used to help stabilize local property taxes, but County Commissions have not been able to use for 20 years, is the Local Ad Valorem Tax Reduction Fund or LAVTR.

Under the 1965 LAVTR Fund law (KSA 79-2959), 3.63% of sales tax and compensating use tax as well as the local share of cigarette stamp taxes and cereal malt beverage taxes collected by the State of Kansas are to be returned to city and county governments. These funds are then to be applied directly to lowering local government property tax levies dollar-for-dollar. For 2023, in <<YOUR COUNTY>> this equates to a <<$X,XXX>> or <<XXX>> mill reduction in the amount of money that we have to collect to fund the budget. A true cost savings for our citizens.

This time-tested partnership began in 1937 but was effectively cancelled in 2003 when the Kansas legislature made no fund allocation – a practice that the legislature has continued to do each year since. This inaction means that from 2004 through 2022, local governments have not received more than $1.7 billion in legally owed revenues that have been collected by the state. Every dollar of that amount would have reduced local property taxes. In essence, taxpayers are paying these taxes twice. Once at the store when they purchase their goods and then a second time when they pay their property taxes to the local government.

Additionally, in 2006, the Kansas legislature exempted new machinery and equipment (M&E) from property taxation. The final bill included partial reinstatement of the LAVTR fund because the M&E exemption would harm local budgets. Yet, cities and counties did not receive LAVTR payments.

The County’s ability to not raise property taxes is becoming increasingly challenging. The loss of other funding streams (like M&E), increased costs of materials and labor (Up XX% the past 10 years), and the various other un-funded mandates being placed on the local level by the State have driven up the cost of maintaining our community.

 However, I credit our ability to not raise property taxes even more, to the diligence of my fellow County Commissioners and staff, alternate funding sources such as grants, and quite frankly doing more with less. In fact, over the past XX years, we have << INSERT STORY ABOUT COST SAVING EFFORT(S) HERE>> as just one example.

But we are at the limit of doing more with less as costs to serve our community continue to rise. It is once again time for the Kansas legislature to do what it is legally obligated to do and fund LAVTR to assist our residents with true property tax relief.

The May 2023 memo of the State’s Consensus Revenue Estimating Group's predicts a $109.3 million, or 4.1%, increase in FY2024 tax collections by the State over this year. And this year’s collections are predicted to be 24.2% higher than last year – FY2022. Likewise, the state budget recommends an ending balance in the state general fund of $1.98 billion, or 20.9 percent of expenditures in 2024. It also recommends a $500 million deposit into the budget stabilization fund that will bring the fund balance to $1.51 billion. These predictions put the Kansas Legislature in a position to help taxpayers and local governments.

Understandably the Governor and the legislature have many priorities that require funding. During the upcoming legislative session, I ask my fellow citizens to advocate for funding LAVTR. <<OPTIONAL: CONTACT OUR LOCAL STATE LEADERS AT: (INSERT NAMES AND CONTACT INFORMATION FOR REPRESENTATIVES AND SENATORS) AND ASK THAT THEY SUPPORT FUNDING LAVTR THIS LEGISLATIVE SESSION>>. By funding LAVTR, the legislative action would recognize the diligence of locally elected government leaders who have empathy for taxpayers' plight and have tried to hold property taxes steady while continuing to provide mandated, essential, and requested services for our community.

Working together at the state, county, and city level, I believe we can address Kansas's tax base, fund the LAVTR, and responsibly manage the property tax burden borne by Kansan taxpayers.

Sincerely,